

**KELT EXPLORATION LTD.**  
**(the “Corporation”)**

**HEALTH, SAFETY AND ENVIRONMENT COMMITTEE MANDATE**

**Purpose**

1. The purpose of the Health, Safety and Environment Committee (the “**HSE Committee**”) of the Board of Directors of the Corporation (the “**Board**”) is to assist the Board in fulfilling its responsibilities in relation to environmental, health and safety matters, including: (i) the provision of a safe environment for employees and others to perform their duties; (ii) reviewing and monitoring the policies and procedures of the Corporation and its subsidiaries (collectively the “**Corporation**”) relating to health, safety and environmental matters; and (iii) overseeing management’s actions relating to compliance by the Corporation with environmental regulatory requirements and the Corporation’s health, safety and environmental goals.

**Mandate**

2. The duties of the HSE committee are to:
  - (a) in conjunction with management, review, from time to time, the Corporation’s health, safety and environmental policies, practices and procedures and monitor whether those policies, practices and procedures:
    - (i) comply with applicable legislation, regulatory requirements, and industry standards,
    - (ii) meet the Corporation’s goals, and
    - (iii) adequately prevent or mitigate losses;
  - (b) assess, from time to time, whether the Corporation’s health, safety and environmental policies, practices and procedures are being effectively implemented;
  - (c) receive reports from management on the Corporation’s health, safety and environmental performance and review the responses of management to changes in the Corporation’s performance;
  - (d) review the effectiveness of the response by the Corporation, to health, safety and environmental issues, including compliance with applicable legislation, regulatory requirements and industry standards;
  - (e) review and consider, as appropriate, reports and recommendations issued by the Corporation or by an external party relating to health, safety and environmental issues, together with management’s response thereto;
  - (f) review with management, its response to and management of health, safety and environmental issues;
  - (g) report, as appropriate, to the Board on issues related to the Corporation’s health, safety and environmental policies, practices and procedures, including the Corporation’s management of those issues, and make recommendations to the Board thereon;

- (h) review with management their assessment of significant operational risks and exposures and review and assess the steps taken by the Corporation's management to mitigate those risks; and
  - (i) at least annually, review the processes used by the Corporation's management to determine the Corporation's asset retirement obligations.
3. The HSE Committee may, at the request of the Board or on its own initiative, investigate such other matters as are considered necessary or appropriate in the circumstances.

### **Composition**

- 4. A majority of the members of the HSE Committee will, at all times, be independent of the Corporation within the meaning of applicable laws, rules, policies, guidelines and requirements as determined by the Board.
- 5. Members of the HSE Committee shall be appointed from time to time to hold office at the pleasure of the Board.

### **Committee Chair**

- 6. The Board shall appoint a Chair for the HSE Committee.
- 7. If the Chair of the HSE Committee is not present at any meeting of the HSE Committee, one of the other members of the HSE Committee who is present at the meeting shall be chosen by the HSE Committee to preside at the meeting.

### **Meetings**

- 8. The HSE Committee is responsible to meet as often as required to discharge its duties.
- 9. The Chair of the HSE Committee will, in consultation with the members, determine the schedule, time and place of meetings.
- 10. A quorum for a meeting of the HSE Committee shall be a majority of members present in person or by telephone conference call.
- 11. The Chair of the HSE Committee or the Chairman of the Board or any two members of the HSE Committee may call a meeting of the HSE Committee. The HSE Committee shall meet at such times during each year, as it deems appropriate.
- 12. Notice of the time and place of every meeting shall be given in writing (including by way of written email or facsimile communication) to each member of the HSE Committee at least 24 hours prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting; and attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- 13. At the invitation of the Chair of the HSE Committee, one or more officers of the Corporation may attend any meeting of the HSE Committee.

**Procedure, Records and Reporting**

14. Subject to any statute or articles and by-laws of the Corporation, the HSE Committee shall fix its own procedures at meetings, keep records of its proceedings and report to the Board when the HSE Committee may deem appropriate (but not later than the next meeting of the Board). The minutes of its meetings shall be distributed to all members of the Board. All Directors shall be provided with access to any materials distributed to members of the HSE Committee.

**Delegation**

15. The HSE Committee may delegate, from time to time, to any individuals or sub-committees of the HSE Committee, any of the HSE Committee's responsibilities that lawfully may be delegated.

**Materials**

16. The HSE Committee has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

**Governance**

17. The HSE Committee is responsible to annually review, and in its discretion make recommendations to the Board regarding confirmation of or changes to be made to its Mandate and the position description of its Chair.

**Advisors**

18. The HSE Committee has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the HSE Committee in the discharge of its duties.
19. The HSE Committee shall have access to the Corporation's independent qualified reserves evaluator(s), to all the Corporation employees and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.

Adopted and approved by the Board: February 26, 2013.